

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 647
ANSWERED ON FRIDAY, THE 18TH NOVEMBER, 2016
[KARTIKA 27, 1938 (SAKA)]**

FRAUDS/IRREGULARITIES BY COMPANIES

QUESTION

**647. SHRIMATI BHAVANA PUNDALIKRAO GAWALI PATIL:
SHRI PR. SENTHILNATHAN:
SHRI KRUPAL BALAJI TUMANE:
SHRIMATI V. SATHYA BAMA:
SHRI NARANBHAI KACHHADIYA:
SHRIMATI POONAM MAHAJAN:**

Will the Minister of CORPORATE AFFAIRS

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be pleased to state:

- (a) whether cases related to corporate frauds have come to the light in the country in recent years, if so, the details of such cases reported during each of the last three years and the current year along with the action taken thereon;**
- (b) whether the Government has ordered investigation into the affairs of some companies through Serious Fraud Investigation Office (SFIO) during the said period;**
- (c) if so, the details and present status thereof along with the number of cases disposed off by the SFIO and the success/ conviction rate therein, company/ case-wise;**
- (d) the total amount restored and given back to the affected customers during the said period;**
- (e) the expenditure incurred in the functioning of SFIO during the said period along with the measures taken by the Government to expedite the investigation process; and**
- (f) the further measures taken by the Government to strengthen the SFIO, new vigilance system and amendment in relevant laws to check frauds/ irregularities by the companies?**

ANSWER

**THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS**

(SHRI ARJUN RAM MEGHWAL)

(a) & (b) Year-wise details of the investigations ordered through the Serious Fraud Investigation Office (SFIO) during the last three years and the current year, are at Annexure –I.

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(c) During the last three years and in the current year, SFIO has filed 258 prosecutions in various Courts. In this period, 163 number of cases have been disposed off by the courts, of which there has been successful conviction in 77 cases wherein punishment including imprisonment to directors as well as of fines have been imposed.

(d) The mandate under the Companies Act, is to conduct investigation, find out the violations of Companies Act, 1956 and take penal action for appropriate punishment provided under the Companies Act, 1956.

(e) Details of expenditure incurred on the functioning of SFIO during the last three years and the current year are as under:

Year	Amount (in crore)
2013-14	9.25
2014-15	9.84
2015-16	10.18
2016-17 (till date)	8.91

(f) The Government has taken various measures to strengthen the SFIO to check fraud/ irregularities by companies, including:

- (i) the term “Fraud” has been defined in the Companies Act, 2013;**
- (ii) Statutory status to the Serious Fraud Investigation Office (SFIO);**
- (iii) Increasing application of technology for early detection of frauds through data mining and Forensic Audit, etc.**

Annexure-I

**ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE
UNSTARRED QUESTION NO. 647 FOR ANSWER IN LOK SABHA ON
18.11.2016.**

**Details of cases referred to SFIO during the last three years and the
current year**

Year	Investigations referred to SFIO	Investigations completed	Investigations under progress	Investigations Quashed/ stayed by Courts
2013-14	83	78	04	01
2014-15	71	49	19	03
2015-16	184	11	172	01
2016-17 (till date)	52	01	50	01
Total	390	139	245	06
